

WHAT CAN I DO ?

☐ Ask about energy saving tips and programs.

☐ Consider enrolling in an average or budget-billing plan which allows customers to spread annual energy costs over a 12-month period. Budget billing amounts may be adjusted at various times during the 12-month period.



☐ Add attic insulation if necessary. Heat rises and without adequate home insulation that heat will quickly leak outdoors into the atmosphere. Some consumers may be eligible for weatherization assistance.

☐ Place weather stripping around doors, use plastic film covering and caulk windows to keep heat from escaping from your home.

☐ Change or replace furnace filters each month when dirty.

☐ Have your chimney checked for blockage.

☐ Have your heating system checked and tuned-up if needed.

☐ Close fireplace dampers when the fireplace is not being used.

☐ Place an approved insulated cover-jacket around your hot water heater. Set your water heater temperature to 120 degrees.

☐ More information? Call the Department of Natural Resources' Energy Center, **800-361-4827** or visit www.dnr.state.mo.us/energy/homeec.htm

WHAT IF I CAN'T PAY MY BILL?

If faced with a bill you can't pay in full, **DO NOT IGNORE IT:**

☐ Contact your utility company.

☐ State you are unable to pay in full.



☐ Apply for energy assistance at your local Division of Family Services office.

☐ Enter into a payment agreement with the gas company.

NEED HELP?

In 1977, the PSC passed the Cold Weather Rule, which requires utilities to help customers maintain heat-related service during the winter.

Programs like the **Low Income Home Energy Assistance Program (LIHEAP)** can assist needy Missourians with their heating bills during the months of December, January, February and March.

LIHEAP assists customers who have an outstanding balance with their local gas company. Call your local Division of Family Services office or the state office at **1-800-392-1261** for more information. Contact your local natural gas company for a list of other organizations that provide energy assistance.

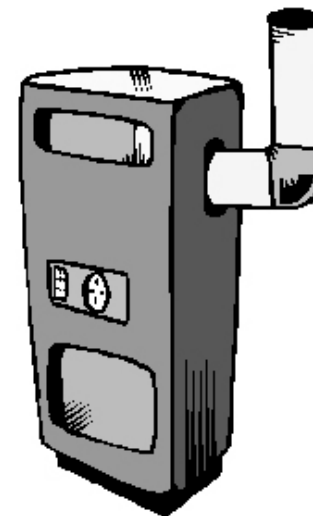
For additional assistance, call the Missouri Public Service Commission toll-free hotline number **1-800-392-4211** or visit our website:
www.psc.state.mo.us



7 / 2002

NATURAL GAS HEATING BILLS

WHAT YOU SHOULD KNOW



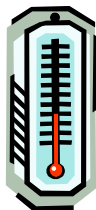
*Information
from your
Missouri Public
Service Commission*

WE ARE HERE TO HELP
1-800-392-4211

WHAT ARE THE MAJOR FACTORS THAT INFLUENCE MY BILL?

Weather: We can't predict the weather.

Weather plays a major factor in natural gas pricing. A colder than normal winter will result in increased demand, which typically drives up the cost of natural gas. In addition, cold weather means your furnace is on more, making sure the home is heated. Cost and usage determine what the monthly bill will be. While a colder than normal winter will likely increase your natural gas bill, a warmer than normal winter will likely reduce both the price of natural gas and consumption, which will reduce your natural gas bill.



Price: Natural gas prices are determined in an open, competition-based market—the price is primarily driven by supply and demand. If the demand is high and the supply is low, the price for that commodity will be high. The price your natural gas company must pay to wholesale suppliers for natural gas to serve its customers is **not** controlled by the Missouri Public Service Commission (PSC). The PSC does, however, conduct audits of the purchasing practices of the natural gas companies to assure that they were prudent in their purchasing practices.

Inventories, Exploration and Production: Winter residential heating creates a demand that production alone can't serve. Utilities stockpile additional natural gas supplies during the summer when demand is lower to help meet increased winter usage. Higher demand for natural gas in the summer to run new electric generating plants impacts supply, price and storage. When winters are mild and prices are low, production companies tend to curtail development of new natural gas supplies. Experts say there is a 6 to 18 month lag between the time of initial drilling and when additional production enters the market. Swings in market demand and/or supply can happen faster than exploration and production can respond. This results in an overabundance of natural gas at some times and scarcity of supplies at other times, which contributes to price swings in the natural gas market.

FACTS ABOUT NATURAL GAS PRICING

- Natural gas companies in Missouri **do not** own natural gas fields and **do not** produce natural gas. They must purchase natural gas from suppliers.
- The wholesale price of natural gas -- the cost the local natural gas company must pay to its suppliers for natural gas -- **is not regulated by the PSC**. Congress deregulated wholesale natural gas rates more than a decade ago.
- Wholesale natural gas prices are determined in an open, competition-based market. **The price is not controlled by the PSC.**
- The PSC **does ensure** that local natural gas companies make prudent decisions in buying wholesale natural gas supplies for their customers. The local natural gas company must show the PSC that they were prudent in their gas purchasing efforts and that the price they paid for natural gas was reasonable.
- The actual wholesale cost of natural gas represents approximately 65 percent of the customer's total monthly bill. The other 35 percent represents the cost for delivery of the natural gas to the customer's home or business (the pipes in the ground and the operations of the company to deliver gas).

WHEN CAN NATURAL GAS RATES CHANGE?

Only on a limited basis.

Natural gas companies under PSC jurisdiction are generally allowed to adjust rates to reflect wholesale natural gas price changes four times per year.

Quarterly filings are designed to track market conditions while limiting the magnitude of rate changes when they do occur. Limiting local natural gas companies to a maximum of four requests per year helps bring a level of rate stability to Missouri consumers.

WHAT TO DO IF YOU SMELL NATURAL GAS

» Call your local natural gas company to report the odor and its approximate location.

» Go to a neighbor's house and call your local natural gas company. Calling from a phone inside your home could create a spark that could cause an explosion.

Scratch 'n Sniff

- » Do not operate electrical equipment.
- » Do not smoke, use lighters or open flames.
- » Evacuate the building.
- » Do not start a vehicle in an attached garage.

**If you plan to dig, be smart:
Call 1-800-DIG-RITE**